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TAGS: [ECON](#) [PGOV](#) [PREL](#) [PHUM](#) [KIRF](#) [SA](#)  
SUBJECT: KING LAUNCHES ECONOMIC AND EDUCATION INITIATIVES  
DURING FIRST NATIONAL TOUR

REF: A) RIYADH 4724 B) 05JEDDAH 5021 C) RIYADH 5084

Classified By: Deputy Chief of Mission Michael Gfoeller for  
reasons 1.4 (b) and (d).

¶1. (C) Summary: King Abdullah recently completed his first national tour since becoming King. Traveling with his Cabinet, the King visited the Ha'il, Al Qassim, Medina and Eastern provinces promoting government support for economic, industrial, health and educational development of the regions and the welfare of their people. The King launched numerous economic development initiatives, inaugurated the first university in the northern region, granted prisoners amnesty, and redistributed government land for public housing. He also gave speeches promoting tolerance and acceptance of all Muslims. In recent discussions with visiting USG officials, the King expressed satisfaction with the reception accorded him during his tour of the Kingdom (septel). End Summary

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First Trip to Eastern Province  
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¶2. (U) King Abdullah recently completed a six-leg national tour of the Kingdom visiting the Ha'il, Al Qassim, Medina and Eastern provinces. It is his first national tour since becoming King in August 2005. The King began his tour in the Eastern Province, traveling to the cities of Jubail, Al-Ahsa, Qatif, and Al-Khobar (ref A). During his visit to the industrial city of Jubail, King Abdullah announced the first phase of Jubail-II, a project that is expected to create 55,000 jobs and generate investment projects worth USD58.7 billion. Designated a new industrial city by the SAG in 1975, Jubail has experienced significant economic expansion, and consists largely of petrochemical and iron works. It also is the home port of the Royal Saudi Navy. The centerpiece of Jubail expansion will be a new USD1.4 billion oil export refinery, a joint venture between Saudi ARAMCO and the French firm Total, that will produce 400,000 bld of refined products. The King also inaugurated 20 new industrial projects valued at USD21.9 billion. The SAG expects these new projects will attract significant foreign investment interest.

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King Grants Prisoners Amnesty  
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¶3. (U) While in the Eastern Province, the King issued a royal decree granting amnesty to prisoners, including expatriates, who had committed minor crimes and had served their jail terms and/or paid fines, but were still incarcerated because they are unable to pay the debt or blood

money to the families of their victims. The decree excluded prisoners who have committed more egregious crimes. Saudi news reports stated that many expatriates remain in jail despite having served their sentences or paid a fine, because their iqamas (residence permits) have expired, and their sponsors do not want them to renew them. The decree is expected to grant amnesty to nearly 4,000 prisoners.

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King Launches Educational Initiatives in Al-Ahsa  
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14. (U) In Al-Ahsa, the King launched a number of educational initiatives including four technical colleges, 17 vocational training institutes for boys, and two higher technical institutes for girls. The projects will cost an estimated USD320 million. He also approved establishing a literary club and instructed that funds be allocated to build its headquarters.

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King Designates Ha'il as Second Mega Economic City  
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15. (U) The King next traveled to the northern region of Ha'il where he laid the foundation stone for the new Ha'il University, in addition to launching new water, health and infrastructure projects worth more than USD534 million. The new university, which will cost USD172 million, will include colleges of engineering, computer science, medicine, science and community, as well as a university hospital, and brings the total number of government universities to 17 in the Kingdom. The King also announced the construction of the Ha'il-Medina Expressway and the 340 kilometer long Ha'il-Al Jawf Expressway, which will connect Ha'il and the capital of

the Al Jawf province in the northern part of the Kingdom.

16. (U) He also unveiled plans for the establishment of a USD8 billion mega economic city in Ha'il, which will host agricultural and mineral industries as well as house an education zone and 30,000 residential units. The Prince Abdul Aziz bin Musa'ed Economic City, named after the first governor of Ha'il, will include an airport, railway service and a dry dock. It is expected to create 30,000 jobs over the next ten years, and is the second of such cities planned by the Saudi Arabian General Investment Authority (SAGIA). The first, the King Abdullah City located in Rabigh 200 kilometers north of Jeddah, was announced in December, and, according to Saudi news reports, is expected to attract USD26.6 billion in investment (ref B). As with the King Abdullah City, the SAG is looking to private investors for the bulk of the funding for their mega city with the Saudi government funding only "common access" components of the projects - constructing highways, expanded sewage and water infrastructure, and limited electricity facilities. Most of the investment for the King Abdullah City is coming from UAE real estate developers and investment firms. The King also announced his intention to redistribute land belonging to the Ministry of Defense and Aviation for housing units for 15,000 families. The residential area will include 80 schools, 100 mosques, and a number of commercial centers.

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King Warns Against Labeling Others  
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17. (U) Continuing to promote the themes of regional development and national unity, the King next traveled to the Qassim region in the central part of the Kingdom, where he launched a series of economic and educational projects valued at over USD1.4 billion, including the second phase of the USD320 million Qassim University project which will construct buildings to house a number of the university's colleges, a conference center, a 400-bed university hospital, housing for teachers and sport facilities. Additionally, the King announced plans for 324 education projects valued at USD427 million.

¶8. (C) The King also delivered a speech on tolerance to 70,000 people in the sports stadium in the capital Buraidah. King Abdullah warned Saudis against creating division in the country by labeling others as secularists, liberals, extremists, Islamists, or hypocrites, saying such classifications were against the teachings of Islam and would weaken the country's unity. During a recent USG delegation visit, the King told our visitors that he "had gone into the lion's den", referring to Qassim's reputation as a hotbed of religious conservatism, but was "surprised how well his message was received." (septel)

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King Designates Medina as Third Mega Economic City  
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¶9. (U) Concluding his tour in Medina, the King announced another round of projects valued at USD2.4 billion, including the expansion of the Prophet's Mosque, the second holiest mosque in Islam, to accommodate 270,000 additional worshippers and construction of three new hospitals and a new university campus. He also designated Medina as the third mega economic city, stating that the USD6.7 billion project will generate 20,000 new jobs and attract significant investment, as well as host 4,000 stores and 30,000 residential units that will house 200,000 inhabitants. To accommodate increasing business traffic and numbers of pilgrims, the King ordered that the Medina Airport be upgraded to an international airport. Commenting on the King's decision to upgrade the airport in the Saudi press, the Crown Prince stated that Medina International Airport would reduce the pressure on Jeddah's King Abdul Aziz International Airport, which is the main gateway for pilgrims traveling to the Kingdom for Hajj and Umrah.

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King Increases SAGIA's Powers  
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¶10. (U) During his tour, the King presented a seven-point economic strategic plan that promotes "better investment of the Kingdom's resources and using its returns for the betterment of the nation and its people." The plan also increases the scope of SAGIA's authority to supervise economic cities and set out state policies for developing

domestic and foreign investment (ref C).

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Comment  
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¶11. (C) The King's national tour was a landmark event and the first such regal progress made by a Saudi ruler in many years. The King brought major development projects with him to every location he visited. While maintaining the state's traditional role as infrastructure developer, the King also emphasized the role of the private sector in economic growth. In all his speeches, King Abdullah repeatedly called for religious tolerance to ensure national unity. Additionally, the focus of educational initiatives introduced by the King was on vocational training as opposed to religious education.

¶12. (C) The King recently told a visiting USG delegation that he was pleased with the reception and level of public support he received during his trip (septel). He appears to have succeeded in getting across his messages that new oil revenues will be generously distributed kingdom-wide, and that attacks on fellow Muslims weaken the nation. The tour enhanced King Abdullah's already considerable popularity.  
End Comment.

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